Hydrocarbon Deposits in the Cauvery Delta

584. SHRI O.S. MANIAN: Will the PRIME MINISTER be pleased to state:

(a) what is the quantum of hydrocarbon deposits in the Cauvery delta of Tamil Nadu as determined so far;

(b) how many years this deposit would last at the current rate of exploitation of oil and gas reserves; and

(c) whether Government propose to increase oil/gas production in Cauvery delta of Tamil Nadu?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) The recoverable reserves of oil & gas as estimated on 1.4.96 is 4.31 MMt and 7.29 Billion Cu.m respectively in Cauvery onland basin.

(b) At the current rate of exploitation the oil reserves are likely to last till 2010—2011. However, the gas exploitaton scenario is dependent on consumer demand.

(c) Cauvery on-shore area is still under exploration and any progrmme for increasing oil/gas production from the area can be firmed up only after the results of further exploration.

Funds under OIDB Act, 1974

585. SHRI DIPANKAR MUKHERJEE: SHRI NILOTPAL BASU:

Will the PRIME MINISTER be pleased to state:

(a) the funds collected, till March, 1996, under various provisions of the Oil Industry Development Board (OIDB) Act, 1974;

(b) whether the above funds were meant for petroleum sector; if so, the funds received so far from OIDB in 1993-94, 1994-95 and 1995-96 against the requirement projected by the petroleum sector; and

(c) the reasons for the shortfall, if any?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) Government collected approximately Rs. 26,000/crores as cess upto the end of March, 1996.

(b) As per Section 16 of the Oil Industry Development Act, 1974, the cess is to be first credited to the Consolidated Fund of India and the Central Government may after due appropriation made by the Parliament by law in this regard pay to the Oil Industry Development Board such sums of money out of the proceeds of cess as the Government may think fit for beign utilised for the development of the Oil Industry, which, *inter-alia,* includes petroleum, petro-chemicals and fertilizers. The requirement of petroleum sector and the funds received by it from OIDB is given in the enclosed statement (*See* below).

(c) The shortfall in disbursement is due to the fact that some of the oil companies/grantee institutions did not draw the funds for which projections were made by them.

Statement

Funds received, agaisnt projected demands, by the Oil PSUs in the years 1993-94, 1994-95 and 1995-96

(Rs. Crores)

Year	Projected by PSUs	Disbursed by OIDB
1993-94	973.45	926.35
1994-95	445.04	301.47
1995-96	1048.82	849.08

Cost Components of LPG Cylinders

586. SHRI SUDHIR RANJAN MAJUMDAR: Will the PRIME MINISTER be pleased to state:

(a) whether Government had accepted the Shantilal Shah Committee Report of 1969 on oil pricing, wherein the cost of

1.15 Kg. LPG was equated to 1 litre of Kerosene oil;

(b) whether considering the life span of one LPG bottle at 5 years, the present security deposit of Rs. 900/- refilling charges of Rs. 981/- per tonne including transportation of gas and filled cylinder, dealer's margin of Rs. 15/- and profit margin of oil companies at 12% the selling cost per cylinder comes to Rs. 124/- whereas companies charge @ Rs. 180/- per cylinder to avail subsidy of Rs. 365/- crores per year from the Pool account; and

(c) if not, the break-up of the cost of each of the above items, specifying the cost per cylinder?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) The existing system of pricing of petroleum products is based on the recommendations of Oil Prices Committee (1976) as amended by the Oil Cost Review Committee (OCRC) 1984.

(b) and (c) The cost of production of LPG would vary from refinery to refinery depending on the level of crude thruput, pattern of production, delivered cost of crude oil, the cost of processing/refining and return on capital employed. The estimated cost of production in the country of LPG (Packed Domestic), inclusive of additonal impact of imported LPG but exclusive of cost of martketing activities, on an industry basis considering weighted average cost of crude and margins thereon for the year 1996-97 works to about Rs. 9110/MT.

Decline in Production of Oil and Natural Gas

587. SHRIMATI JAYANTI PATNAIK: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the production of oil and natural gas in the country is showing a declining trend;

(b) if so, the reasons therefor; and

(c) the details of steps taken to improve production in the country, to cut down the import bill?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) and (b) The production of both crude oil and natural gas has increased during 1993-94 to 1995-96. However, there has been shortfall in crude oil production during 1996-97 due to the following reasons:—

Reduction in anticipated production from the major fields of BRBC especially Bombay High and Neelam, due to unexpected resevior behaviour, not in conformity with earlier predicitons.

Oil fields entering the natural declining phase.

Lower production from joint venture projects.

Constraints in operating conditions on account of law and order problems and insurgency in NE region.

Stopage of work in Nagaland.

Frequent power shutdown in Western & Eastern Region affected artificial lift operations.

(c) Various steps being taken by the Government to increase the production of hydro carbon are—

Implementation of EOR Schemes and extendign some of EOR's Schemes from pilot scale to full scale field application.

Implementation of specialised technologies such as ERD, side track, horizental and drain hole drilling.

Obtaining services of international experts wherever considered necessary.

3-D seismic survey of the oil fields.

Rectificatory measures such as aggressive workovers, use of specialised technologies like long/short drift side track, drain hole have been planned for revival of sick wells which still have potential.